



RAILROAD COMMISSION OF TEXAS

SURFACE MINING AND RECLAMATION DIVISION

November 25, 2009

Mr. Josh Leftwich
Environmental Manager
Uranium Energy Corporation (UEC)
400 Mann Street, Suite 900
Corpus Christi, Texas 78401

RE: Weesatche Project, Goliad County
Uranium Exploration Permit No. 123C
Inspection Report

Dear Mr. Leftwich:

Enclosed is a copy of the report for the inspection completed on November 24, 2009, at UEC's Weesatche Project, Goliad County.

If you have any questions, please contact me at (512) 305-8813.

Sincerely,

A handwritten signature in blue ink, appearing to read "Mark Schlimgen".

Mark Schlimgen, Manager
Inspection and Enforcement

MS/sdj
Enclosure



RAILROAD COMMISSION OF TEXAS

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URANIUM EXPLORATION INSPECTION REPORT

Project Name: Weesatche Permit Number: 123C
 Permittee: UEC County: Goliad
 Industry Representative(s) Present: James Gale
 Inspector: Steve Meadows Date of Inspection: November 24, 2009

I. Field Conditions and Data Collection

Samples Collected: No ☒ Yes ☐ Sample Type: Water ☐ Soil ☐ Vegetation ☐
 Average Temperature 60 Soil Condition Muddy Date Last Rainfall 11-24-09 Wind Direction/
 Velocity (Est.) North at 20
 Photographs Attached: No ☐ Yes ☒ (Complete Section IV)

II. Enforcement Action Taken

Notice of Violation Issued: No ☒ Yes ☐ NOV No. _____
 Cessation Order Issued: No ☒ Yes ☐ CO No. _____



Steve Meadows

11/25/2009

Inspector Signature

Date

Mark Salinger 11-25-09

Reviewing Supervisor Signature

Date

Project Name: Weesatche
Permit Number: 123C
Inspection Date: November 24, 2009

III. Comments – Inspection Narrative

- Document the area of the permit inspected
- Discuss observations made during the inspection
- Document the results of any field tests taken
- Provide a summary of any discussions with industry representatives, along with results, and expectations from those discussions
- Describe any enforcement action taken during the inspection, along with facts or evidence supporting the enforcement action

No exploration drilling activity is in progress at UEC Permit No. 123C. Drilling activity related to installation of production wells is anticipated in the near term pending the completion of the TCEQ permitting process. Inactive equipment was observed at the UEC field office and in the Braquet area where recent rainfall restricted access to foot travel only due to the muddy conditions as documented in Photos 1-4. Typical examples of site restorations are documented in Photos 5-16. All cased wells were observed to be properly secured and identified. The drilling locations of the many previously inspected exploration boreholes, from which the marking PVC pipe has been removed for agricultural purposes, are essentially un-noticeable. A monitor well ring has been completed in this area that is the planned focus of ISL activity when permitted.

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VI. Photographs



Photo 1: Field office at UEC Permit No. 123C with inactive equipment.



Photo 2: Entrance to Braquet area of UEC Permit No. 123C.

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VI. Photographs



Photo 3: Muddy conditions on entrance road to Braquet area.



Photo 4: Inactive equipment parked on Braquet area of UEC Permit No. 123C..

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VI. Photographs



Photo 5: Site restoration at cased well BMW-20.



Photo 6: Cased well BMW-19.

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VI. Photographs



Photo 7: Cased well BMW-14.



Photo 8: Cased well BMW-3 with other wells visible in background.

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VI. Photographs



Photo 9: BMW-2 on UEC Permit No. 123C.



Photo 10: Site restoration at cased well RBLB-4.

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VI. Photographs



Photo 11: Site restoration at previously inspected exploration borehole in Braquet area.



Photo 12: Exploration borehole near old Braquet house on 2-12-08.

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VI. Photographs



Photo 13: Exploration location near old Braquet house on 11-24-09 with recent ruts.



Photo 14: The relocated Braquet rock near Braquet house.

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VI. Photographs



Photo 15: Cased well PTW-6 site restoration.



Photo 16: Cased well PTW-2.